

TOWN OF INDEX
Snohomish County, Washington
January 1, 1994 Through December 31, 1994

Schedule Of Findings

1. Town Officials Should Actively Pursue Collection Efforts For Delinquent Accounts Receivable

The Town of Index is not actively pursuing collection of delinquent accounts receivable for its water and garbage utilities. As of December 31, 1994, the town held 160 utility accounts, of which 23, or 14 percent, were delinquent.

The town charges \$11 a month for garbage collection and \$14 a month for water services. As of December 31, 1994, there were 23 residential accounts with balances over \$50, the equivalent of 60 days of service. Of the 23 delinquent accounts, 4 belong to elected town officials.

City Code 13.04.040 states in part:

Water service fees shall be charged on a monthly basis, beginning with the first day of each month and ending with the last. To facilitate bookkeeping, the town clerk may combine the monthly water bill with other bills, such as the monthly bill for garbage pickup.

City Code 13.04.050 states in part:

Charges for water service shall be on a calendar month basis and shall be due and payable . . . on or before the month during which the service was provided and shall become delinquent thereafter . . . A customer who fails to contact or make arrangements for payment and who is in arrears for a period of sixty (60) days shall be subject to shut-off of water service at the premises' water meter . . . The water shall not be turned on again until such time that all delinquent fees or charges have been paid . . . The mayor or water commissioner may elect to employ any other legal remedy to collect delinquent charges including but not limited to placing a lien upon the customer's property.

The *Constitution of the State of Washington*, Article VIII, Section 7, states in part:

No town . . . Shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company, or corporation . . .

By not pursuing their legal responsibility to collect utility charges from customers, town officials are lending public credit.

We recommend that town officials actively pursue collection efforts of delinquent accounts receivable.

